

# CableFAX Daily™

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What the Industry Reads First

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## DOCSIS 3.1: CableLabs Execs Talk Timeline, Direction Post-3.1

Never say never when it comes to technology. Even as many MSOs are still working to deploy DOCSIS 3.0, the next generation 3.1 is around the corner, or... almost around the corner. A few things are clear about the new spec: It will be ready well ahead of consumer demand and usage, and it will enable higher speeds at lower costs. Due to backward compatibility, 3.0 and 3.1 will co-exist for a long while, **CableLabs'** *Dan Rice*, vp, access network technologies, and *Matt Schmitt*, dir of DOCSIS specifications, said during an interview. The hope is to have specs substantially complete in '13 and to enable initial products in '14. Hopefully, products will be ready for testing then as well, though it would depend on how the spec development proceeds as well as vendor development schedules, they said. Is 3.0 going away? Not in the near term. Because DOCSIS 3.1 devices are required to support 3.0, MSOs won't be forced to deploy the new standard, said Schmitt, DOCSIS 3.1 project lead. The key thing is "you don't have to change your plant to deploy DOCSIS 3.1." An effective migration strategy means deploying 3.1 modems on an existing system, then incrementally adding new capabilities after the access platform's upgraded. MSOs can even continue to use 2.0 and 3.0 modems after 3.1 upgrades. Meanwhile, the new spec is expected to pack more muscle, supporting 10+ Gbps downstream and 1+ Gbps up. But no minimum speed or bandwidth requirement has been announced. "It's about what could be done... Operators can start small and grow as needed... A lot of proposals are still being settled so before those are done, it's hard to commit to any minimum standard," said Schmitt. It's still too early to tell what types of services and apps the new standard will enable, but the faster speeds mean video streaming on multiple connected devices at home won't be an issue. The standard could also enable faster WiFi connections, Rice said, noting that MSOs have invested a lot in WiFi networks in and outside the home. Another 3.1 component: Significantly cheaper cost per bit with "more bits per second over the same spectrum," Schmitt said. Could DOCSIS 3.1 represent the final stage of life for cable's IP data platform before giving its way to FTTH? "If we do it right," he said, still noting that "I am not going to rule out a generation beyond 3.1." Vendors such as **Cisco** have revealed their own game plan for 3.1. By early '13, Cisco expects completion of the core specs; silicon availability in '14 and cable modem availability in '15, according to a blog post by *Mark Palazzo*, vp/gm, cable access business unit. The bottom line, he wrote, is "be glad that the word is out and the work is underway."

**Election 2012:** What happens after Nov 6? **Stifel Nicolaus** analysts think a *Mitt Romney* win will would help the Bells, but that cable will do "fairly well" under either party. "We believe cable would benefit from the GOP's light touch on broadband, video, and antitrust, though with potential downside on telecom/IP and from Bell lobbying. Democrats could pursue helpful IP interconnection, but also be wary of cable broadband/video market power," analysts wrote in a research note Fri. A Romney victory could help **AT&T** and **Verizon** on net neutrality and in avoiding other broadband or IP regulation, they said. If Obama wins a 2nd term, some speculate **FCC** chmn *Julius Genachowski* would leave and Democratic commish *Mignon Clyburn* would be appointed acting chair. She ducked the question about whether that may happen on **C-SPAN's** "Com-

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municators" (airs Sat at 6:30pm ET on **C-SPAN**). "I am so fortunate to serve," said Clyburn, who has been nominated for a 2nd term, but has yet to be confirmed by the Senate. "I will continue to serve in any way the president and Senate sees fit."

**The Race is On.. Uh, Scratch that... It's Off:** Just as we were going to press late Fri, NYC mayor *Mike Bloomberg* reversed his earlier decision and called off the NYC Marathon. The event won't happen Sun, but no word on whether it's cancelled or merely postponed. **ESPN2** had planned to televise the race nationally beginning at 9am ET, marking the 1st time in nearly 2 decades that the road race would have been televised live to a national audience. "We were just notified by New York Road Runners that the race has been cancelled and will adjust our schedule," ESPN said in a statement late Fri. At presstime, ESPN2 hadn't yet determined what it will air Sun in place of its planned race coverage.

**Sandy Recovery:** Hurricane Sandy has meant sleepless nights for many affected residents, technicians working to restore services, as well as federal, state and local government officials. **FCC** commish *Mignon Clyburn*, who was on **C-SPAN's** Communicators this week, noted chmn *Julius Genachowski* literally spent the night at FCC assessing the storm's impact. **Cox** reported Fri that it's back to business as usual in VA and CT. In RI, more than 98% of the subs have working service while more than 90% subs in Cleveland have working service. The remainder has power or network issues. As for **Cablevision**, the total Optimum HHs without power was down to around 1.4m Fri from around 1.5m Thur. About 32K Optimum WiFi hotspots across Cablevision's Tri-State service area were operational as of 10am Fri, providing free access for Optimum Online subs. Meanwhile, under a new credit policy announced by the op Fri, subs affected by the hurricane can receive credit for any full or partial day during which they were unable to access services, even if the disruption was caused by a loss of electrical power. Other providers including **DirectTV** and **Time Warner Cable** have similar policies. Dealing with Sandy and the aftermath might significantly impact **Verizon's** 4Q financial results, the telco said in an **SEC** filing. Though the company's unable to estimate the impact, "we expect that it could be significant." Also on Fri, providers continued to share their power. **Comcast** offered the use of power strips in 22 payment center locations in NJ. "Anyone is welcome..." Comcast said on a Google+ post. New Yorkers affected by the hurricane continued to get juice from **Time Warner Cable NYC** vehicles.

**Carriage:** Another big carriage deal for **beIN Sport**. **Time Warner Cable** and **Bright House** will offer both the English and Spanish nets. The deal includes TVE rights. BeIN has the rights to Spain's La Liga, Italy's Serie A and the US away games in the World Cup qualifiers. **DirectTV**, **Comcast** and **DISH** are among distributors with deals for the soccer/intl sports net.

**Ratings:** **NBA TV's** Oct 31 Lakers-Trail Blazers telecast generated an avg of 868K total viewers to make it the net's most-viewed telecast ever. Meanwhile in Southern CA, still no deal between **Time Warner Cable SportsNet** and **Cox** and **DirectTV**. Wed's Portland match-up was the 1st live regular season game for the RSN.

**Earnings:** **Cable One's** 3Q rev rose 6% to \$199.6m; operating income was up 8% to \$39.9m. PSUs rose slightly YOY to 1.253m from 1.252m. The MSO lost 22.6K basic video subs but gained 14.6K HSD subs, 9K phone subs.

**Business/Finance:** **DirectTV** CEO *Mike White* is sticking around, with the company's board announcing that he will stay following the end of his contract, which expires Jan 1. His base salary increases to \$1.7m next year from \$1.5m in '11. His target performance-based bonus opportunity for '13 remains at 200% of base salary for achievement of performance goals. He will receive a non-qualified stock option award valued at \$12m this month.

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## CableFAX Week in Review

Company	Ticker	11/2 Close	1-Week % Chg	YTD %Chg
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**BROADCASTERS/DBS/MMDS**

DIRECTV:	DTV	50.35	(1.79%)	17.75%
DISH:	DISH	35.40	(0.42%)	24.30%
DISNEY:	DIS	49.86	(0.44%)	32.96%
GE:	GE	21.31	0.95%	18.98%
NEWS CORP:	NWS	24.26	0.21%	33.44%

**MSOS**

CABLEVISION:	CVC	16.94	(5.31%)	19.13%
CHARTER:	CHTR	75.10	(1.92%)	31.89%
COMCAST:	CMCSA	37.61	0.13%	58.63%
COMCAST SPCL:	CMCSK	36.46	(0.14%)	54.75%
GCI:	GNCMA	8.45	(7.45%)	(13.69%)
LIBERTY GLOBAL:	LBTYA	59.90	(0.83%)	45.99%
LIBERTY INT:	LINTA	20.58	2.80%	26.88%
SHAW COMM:	SJR	21.51	1.94%	11.05%
TIME WARNER CABLE:	TWC	98.17	(1.36%)	54.43%
VIRGIN MEDIA:	VMED	32.48	(0.09%)	51.92%
WASH POST:	WPO	356.50	7.38%	(5.39%)

**PROGRAMMING**

AMC NETWORKS:	AMCX	48.88	4.53%	30.07%
CBS:	CBS	33.21	1.03%	22.37%
CROWN:	CRWN	1.76	6.67%	45.45%
DISCOVERY:	DISCA	59.88	2.90%	46.16%
GRUPO TELEvisa:	TV	22.95	1.32%	8.97%
HSN:	HSNI	51.15	3.86%	41.06%
INTERACTIVE CORP:	IACI	47.21	(4.01%)	10.82%
LIONSGATE:	LGF	16.28	1.18%	95.67%
LODGENET:	LNET	0.40	(10.23%)	(83.47%)
NEW FRONTIER:	NOOF	2.01	1.01%	95.15%
OUTDOOR:	OUTD	7.18	(2.05%)	(3.75%)
SCRIPPS INT:	SNI	60.48	(1.1%)	42.57%
TIME WARNER:	TWX	43.36	(3.49%)	19.98%
VALUEVISION:	VVTV	2.26	5.61%	20.21%
VIACOM:	VIA	51.64	(2.69%)	(3.17%)
WWE:	WWE	8.25	1.23%	(11.48%)

**TECHNOLOGY**

ALCATEL LUCENT:	ALU	1.00	(2.91%)	(35.9%)
AMDOCS:	DOX	33.26	1.06%	16.58%
AMPHENOL:	APH	60.83	1.16%	34.02%
AOL:	AOL	35.43	2.76%	134.64%
APPLE:	AAPL	576.80	(4.5%)	42.42%
ARRIS GROUP:	ARRS	13.83	0.73%	27.82%
AVID TECH:	AVID	6.32	4.98%	(25.91%)
BLNDER TONGUE:	BDR	1.11	9.90%	(9.02%)
BROADCOM:	BRCM	31.45	(0.98%)	7.12%
CISCO:	CSCO	17.35	0.35%	(4.04%)
CLEARWIRE:	CLWR	2.18	14.74%	12.37%
CONCURRENT:	CCUR	5.28	1.34%	39.31%
CONVERGYS:	CVG	16.56	2.41%	29.68%
CSG SYSTEMS:	CSGS	19.62	(7.32%)	33.38%
ECHOSTAR:	SATS	32.96	3.88%	57.40%
GOOGLE:	GOOG	687.92	1.89%	6.51%
HARMONIC:	HLIT	4.27	0.00%	(15.28%)
INTEL:	INTC	22.06	0.50%	(9.03%)
JDSU:	JDSU	10.22	(1.06%)	(2.11%)

Company	Ticker	11/2 Close	1-Week % Chg	YTD %Chg
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LEVEL 3:	LVL	20.15	(2.56%)	18.60%
MICROSOFT:	MSFT	29.50	3.00%	13.64%
RENTRAK:	RENT	16.91	0.48%	18.42%
SEACHANGE:	SEAC	8.84	(1.67%)	25.75%
SONY:	SNE	11.33	(4.39%)	(37.2%)
SPRINT NEXTEL:	S	5.70	(0.52%)	143.59%
TIVO:	TIVO	10.23	2.61%	14.05%
UNIVERSAL ELEC:	UEIC	15.91	(5.35%)	(5.69%)
VONAGE:	VG	2.25	4.17%	(8.16%)
YAHOO:	YHOO	17.11	8.02%	6.08%

**TELCOS**

AT&T:	T	34.93	0.87%	15.51%
VERIZON:	VZ	44.52	(0.47%)	10.97%

**MARKET INDICES**

DOW:	DJI	13093.16	(0.11%)	7.17%
NASDAQ:	IXIC	2982.13	(0.19%)	14.47%
S&P 500:	GSPC	1414.20	0.16%	12.45%

## WINNERS &amp; LOSERS

**THIS WEEK'S STOCK PRICE WINNERS**

COMPANY	CLOSE	1-WK CH
1. CLEARWIRE:	2.18	14.74%
2. BLNDER TONGUE:	1.11	9.90%
3. YAHOO:	17.11	8.02%
4. WASH POST:	356.50	7.38%
5. CROWN:	1.76	6.67%

**THIS WEEK'S STOCK PRICE LOSERS**

COMPANY	CLOSE	1-WK CH
1. LODGENET:	0.40	(10.23%)
2. GCI:	8.45	(7.45%)
3. CSG SYSTEMS:	19.62	(7.32%)
4. UNIVERSAL ELEC:	15.91	(5.35%)
5. CABLEVISION:	16.94	(5.31%)

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